

## Message Text

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ORIGIN ARA-10

INFO OCT-01 ISO-00 AID-05 XMB-02 EB-07 CIAE-00 INR-07

NSAE-00 TRSE-00 COME-00 /032 R

DRAFTED BY ARA/CAR:DPIERCE:BABS

APPROVED BY ARA/CAR:TJCHEAVNER

LA/CAR:JPLOCKARD

ARA/ECP:RTAYLOR

EXIM BANK:RDCRAFTON (PHONE)

----- 056140

O R 171842Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY KINGSTON IMMEDIATE

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY GEORGETOWN

AMEMBASSY NASSAU

AMEMBASSY PORT OF SPAIN

AMEMBASSY PORT AU PRINCE

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E.O. 11652: N/A

TAGS: PFOR, PINS, PINR, JM, US, UK

SUBJECT: AGEE'S STATEMENTS ON EXIM BANK

REF: KINGSTON 3860

1. FOLLOWING BACKGROUND PROVIDED BY EXIM BANK STAFF  
FOR EMBASSY'S INFORMATION.
2. EXIM BANK PROGRAMS INCLUDE SUPPLIER CREDITS RELATED  
TO TRADE AND DIRECT CREDITS RELATED TO SPECIFIC PROJECTS,  
WHICH IN JAMAICA OFTEN INVOLVE THE GOJ. AS OF JULY 31,  
1976, EXIM BANK'S EXPOSURE IN JAMAICA WAS APPROXIMATELY  
DOLS 11 MILLION IN SUPPLIER CREDITS AND APPROXIMATELY  
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DOLS 112 MILLION IN DIRECT CREDITS. A SIZEABLE PERCENT-

AGE OF EXIM BANK'S EXPOSURE HAS BEEN EXTENDED WITHIN THE LAST 2-3 YEARS, AND TOTAL EXPOSURE IS NOW SUBSTANTIALLY (ABOUT 50 PERCENT) HIGHER THAN IT WAS 3 YEARS AGO.

3. THE A-B-C-D "RATING SYSTEM" RELATED TO 4 DIFFERENT "BASE RATES" WHICH ARE APPLIED ONLY TO SUPPLIER CREDITS (LESS THAN 10 PERCENT OF CURRENT JAMAICAN EXPOSURE). THE LETTER DESIGNATION WAS ABANDONED IN DECEMBER 1975, A FEW DAYS AFTER EXIM DIRECTORS CHANGED THE RATE FOR

JAMAICA FROM "B" TO "C" ON THE RECOMMENDATION OF THEIR LATIN AMERICAN STAFF DURING A ROUTINE QUARTERLY REVIEW. THE RECOMMENDATION WAS BASED ON STAFF PERCEPTION THAT THE RISKS OF COMMERCIAL TRADE WITH JAMAICA HAD INCREASED SIGNIFICANTLY SINCE THE LAST REVIEW. JAMAICA HAD NEVER BEEN RATED "A", AND SUPPLIERS ARE CURRENTLY CHARGED THE THIRD BEST OF THE FOUR "BASE RATES." INTEREST RATES FOR DIRECT CREDITS ARE PROJECT RATHER THAN COUNTRY SPECIFIC AND ARE IDENTICAL WORLDWIDE FOR SIMILAR KINDS OF PROJECTS, DEPENDING UPON THE TOTAL CREDIT PERIOD.

4. WHILE EXIM BANK HAS IN FACT SUBSTANTIALLY INCREASED ITS EXPOSURE IN JAMAICA, THERE HAVE BEEN FEWER JAMAICAN APPLICATIONS FOR DIRECT CREDIT IN PAST YEAR THAN IN EACH OF THE PRECEDING 2 YEARS. THIS REDUCTION IN APPLICATIONS APPARENTLY REFLECTS GOJ DECISIONS TO LIMIT IMPORTS RATHER THAN ANY GOJ REACTION TO EXIM BANK POLICIES. ROBINSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INFORMATION CONTROL, CREDIT AGREEMENTS, DEVELOPMENT BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 SEP 1976  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Film Number:** D760352-0056  
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**Image Path:**  
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**Subject:** AGEE'S STATEMENTS ON EXIM BANK  
**TAGS:** PFOR, PINS, PINR, BBAK, JM, US, UK, XMB, (AGEE, PHILIP)  
**To:** KINGSTON  
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